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**VIA EFILING AND HAND DELIVERY**

May 1, 2007

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
**South Carolina Public Service Commission**  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Application of Ashley Oaks Water System, Incorporated for Approval of a  
Transfer of Its Water System to the City of Columbia  
**Docket No. 2007-41-W**

Enclosed for filing you will find the original and one (1) copy of the Motion For  
Expedited Review in the above referenced docket.

Please note that the attached documents are exact duplicates, with the exception of the  
form of the signature, of the e-filed copy submitted to the Commission in accordance  
with its electronic filing instructions.

Please date stamp the one extra copy for our office and return it to me via our courier and  
do not hesitate to let me know if you have any questions.

Sincerely,

*Wendy B. Cartledge*  
Wendy B. Cartledge

WBC/pjm  
Enclosures

cc: Michael D. Shelley  
Charles H. Cook, Esquire  
H. Clayton Walker, Esquire

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-41-W**

Application of Ashley Oaks Water System,     )  
Incorporated for Approval of a Transfer of Its   )  
Water System to the City of Columbia            )

**MOTION FOR EXPEDITED REVIEW**

The Office of Regulatory Staff (“ORS”), pursuant to 26 S.C. Code Ann. Regs. 103-840 (1976) and other applicable law, hereby moves for an Order of the Public Service Commission of South Carolina (“Commission”) granting review of this matter on an expedited basis. In support thereof, ORS would respectfully show as follows:

1. Ashley Oaks Water System, Incorporated (“Applicant” or “Ashley Oaks”) is a water utility serving portions of the Ashley Oaks Subdivision in Blythewood, South Carolina. Ashley Oaks was first established as a water utility in 1992 by the Commission. The Company is presently operating under the rates set by the Commission in Order No. 1992-194 issued on March 13, 1992 (Docket No. 1991-554-W).

2. Ashley Oaks is currently operating its water system pursuant to a permit (PWS No. 4050030) issued by the South Carolina Department of Health and Environmental Control (DHEC). On May 2, 2006, DHEC conducted a sanitary survey of Applicant’s water system which resulted in an overall “Unsatisfactory” rating. Ashley Oaks and DHEC entered into Consent Order 06-132-DW finding the following deficiencies: a) unsatisfactory quantity of water in that two wells were being pumped over sixteen (16) hours per day in the summer for the past two years; b) protection from contamination was rated as “Needs Improvement” in that the conduit of a well was not attached to

the wellhead; c) adequate pressure was rated as “Unsatisfactory” in that the amount of storage capacity was inadequate and the minimum required system pressure of twenty-five (25) pounds per square inch could not be maintained; and d) valve/hydrant maintenance was rated as “Needs Improvement” since all valves were not exercised at least once a year.

3. On January 29, 2007, Ashley Oaks filed an Application with the Commission for approval of a transfer of its water system to the City of Columbia. Ashley Oaks and the City of Columbia (“City”) have negotiated a contract whereby the City, subject to the approval of the Commission and DHEC, will acquire the Ashley Oaks water system and serve customers in Ashley Oaks Subdivision Phases I, II, III and Ashley Woods in accordance with the City’s presently approved rate schedule. The contract expressly provides that no wells will be transferred with the water system.

4. On February 14, 2007, Applicant advised the Commission that Ashley Oaks had installed seven (7) fire hydrants and nine (9) blow-off valves on the water system, provided the City of Columbia with a current water customer list, and provided the City of Columbia with copies of any items that Ashley Oaks had pertaining to the water system.

5. Upon information and belief, ORS understands that Ashley Oaks is still in the process of obtaining the required easements listed as items 2 (a-f) of the contract between Ashley Oaks and the City of Columbia.

6. On March 1, 2007, Ashley Oaks filed proof of publication posted in The State newspaper pursuant to a Publisher’s Affidavit dated February 23, 2007 and an Affidavit that the Notice of Filing was provided to all customers by bill insert on February 15, 2007.

7. On March 2, 2007, Stewart G. Young and Roberta C. Young filed a Petition to Intervene with the Commission. The Youngs are the only customers of Ashley Oaks to file a Petition to Intervene or to in any manner protest the application of Ashley Oaks to transfer the system to the City of Columbia. By their Petition to Intervene, the Youngs assert that their “rights and interests

may be substantially affected by decisions made in this proceeding since the contract ... proposes to convey all its interest in the 'water system' which would interfere with the ownership of [the Youngs] well and provide purported easements on [the Youngs'] land to Columbia not necessary or warranted for transfer of the water system." Petition to Intervene, p. 2, ¶ 7. This contention is not supported by the Application as the contract between the City of Columbia and Ashley Oaks specifically excludes all existing wells, well sites, storage tanks and water lines extending from the wells and storage tanks to the water system. Therefore, the proposed transfer will not affect the ownership of the well. Further, to the extent that the Youngs have any property issues with the utility or with the owner of Ashley Oaks, such issues involve issues of general property law and would be outside the scope of the Commission's regulation of water utilities. *Cf.* Commission Order No. 92-406, dated May 26, 1992, Docket No. 92-297-C.<sup>1</sup>

8. On April 23, 2007, ORS began receiving complaints from Ashley Oaks customers concerning low water pressure and inadequate amounts of water. One customer stated that he has very little water in the morning and no water at night.

9. On April 23, 2007, Applicant sent an ALERT letter to customers stating that Ashley Oaks is "currently experiencing an emergency in providing enough water for our basic personal household needs" and that "several desperate customers have called regarding their low water

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<sup>1</sup> In Order No. 92-406, the Commission in ruling on a complaint involving a telephone utility concluded that:

the enforcement of those property laws is not within the scope of the Commission's regulation of telephone utilities. In fact, as a creature of statute, the Commission only has authority to regulate the rates and service of telephone utilities. Order No. 92-406, pp. 2-3.

Although Order No. 92-406 addresses a complaint brought against a telephone utility, the Commission's analysis of its jurisdiction would be relevant and appropriate for the jurisdiction the Commission has with regard to a water utility. Under the analysis and rationale of Order No. 92-406, the Intervenor could pursue any property claims they may have against the utility, but the pursuit of such property claims would need to be brought in a different forum than before the Commission.

pressure. Conditions, such as being able to flush toilets, take a shower or have air in the pipes have resulted from the low pressure.” A copy of this letter is attached hereto as Exhibit 1.

10. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (Supp. 2006). S.C. Code § 58-4-10 (B) (1) through (3) reads in part as follows:

...’public interest’ means a balancing of the following:

(1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;

(2) economic development and job attraction and retention in South Carolina;  
and

(3) preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

11. ORS finds that the public interest would be best served by the City of Columbia providing water service to the residents of Ashley Oaks. Therefore, ORS requests that the Commission approve the transfer of the water system to the City of Columbia as soon as possible on an expedited basis and without the necessity of a formal hearing.

12. The City of Columbia is a qualified provider possessing the technical and financial resources and experience to serve the residents of Ashley Oaks. Further, the City of Columbia should provide sufficient amounts of water to the customers.

13. The customers of Ashley Oaks are presently experiencing low water pressure and an inadequate supply of water. At this time, ORS is receiving complaints from residents of Ashley Oaks complaining of low water pressure. It is significant that these complaints are being made in April at a time of year before seasonal high temperatures which are usually experienced in the late spring and summer months. Given the history of this system and the deficiencies

noted by DHEC, ORS is concerned that Ashley Oaks will run out of water before the presently scheduled hearing date of August 2, 2007.

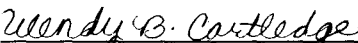
14. Transfer of the distribution system to the City of Columbia would bring Ashley Oaks into compliance with DHEC's order and ensure the customers residing in the Ashley Oaks Community are provided with a continuous supply of water.

15. ORS respectfully requests that the Commission consider this matter on an expedited basis and render a decision at the earliest possible date without the necessity of a formal hearing.

16. In light of the exigencies of this case and the real and pressing concern of the adequacy of water supply available to Ashley Oaks, ORS asserts that the public interest would be best served by an expeditious approval of the transfer of this system to the City of Columbia. Notwithstanding Commission approval of the transfer, Ashley Oaks must still fulfill the conditions precedent in the contract before the City of Columbia will take possession of the Ashley Oaks system and establish the interconnection to the system. ORS requests the Commission grant its approval of this transfer as soon as possible so that no regulatory conditions hinder the City of Columbia from taking possession and making the interconnection at the earliest possible date. In other words, ORS requests that approval to this transfer be granted on an expedited basis so that when Ashley Oaks completes its requirements under the contract that there remain no regulatory hurdles, or regulatory lag, to prevent the City of Columbia from taking possession and establishing the interconnection with the system.

WHEREFORE, having fully set forth its Motion, ORS respectfully requests that the Commission grant the forgoing motion, consider and approve the pending application on an

expedited basis without the requirement of a formal hearing, and that the Commission issue its order approving the transfer of the Ashley Oaks water system to the City of Columbia.

  
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Nanette S. Edwards, Esquire  
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May 1, 2007  
Columbia, South Carolina

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
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**DOCKET NO. 2007-41-W**


Application of Ashley Oaks Water System,     )  
Incorporated for Approval of a Transfer of Its     )  
Water System to the City of Columbia     )     **CERTIFICATE OF SERVICE**

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **MOTION FOR EXPEDITED REVIEW** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

**Michael D. Shelley**  
Ashley Oaks Water System, Inc.  
209 Blythewood Road  
Blythewood, SC 29016

**Charles H. Cook, Esquire**  
Elliott & Elliott, P.A.  
721 Olive Street  
Columbia, SC, 29205

**H. Clayton Walker, Esquire**  
Walker & Reibold, LLC  
PO Box 61140  
Columbia, SC 29260

  
\_\_\_\_\_  
Pamela J. McMullan

May 1, 2007  
Columbia, South Carolina